

Title: It's Still a Long Trek To the Wireless Enterprise.[Find More Like This](#)**Source:** Future Banker; Sep2000, Vol. 4 Issue 7, p28s, 1p**Document Type:** Article**Subject Terms:** *CONSULTING firms
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522291 Consumer Lending**Abstract:** Focuses on the consulting service offered by Tantau Software for facilitating the use of wireless communication for financial services in the United States. Growth potential of the market segment according to the company's executives; Strategies explored by the company for promoting technology standards for wireless financial services.**Full Text Word Count:** 765**ISSN:** 1092-9061**Accession Number:** **3877341****Persistent link to this record:** <http://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=3877341&site=ehost-live>**Database:** Business Source Premier**View Links:**

IT'S STILL A LONG TREK TO THE WIRELESS ENTERPRISE

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Wireless Revolution

If America's digital talent trails the world in any one place, it's in the rush to the wireless Web. Internet-enabled personal digital assistants are just coming to market and most Americans think of the mobile phone, as, well, a phone. So what's driving the hype for wireless financial services? "This is more of an institution push than it is a customer pull," says TowerGroup analyst Edward Kountz. "In this country we are looking at an area with a huge amount of potential, but there are a lot of questions as to how we actually get there."

A July study from Gomez Advisors found that only a third of Web bankers were even "somewhat

interested" in wireless financial services. "Wireless banking is not capturing the imagination of these consumers," says Gomez Advisors' Chris Musto, director of financial services.

But this sentiment hasn't stopped several firms from moving forward. In July Harris Bancorp began offering wireless services to its nearly 1 million Chicago retail customers, allowing customers to view account information and stock information, and transfer funds. To use the wifeless offering from Harris, customers need to have a Sprint Digital PCS phone--and this gets to the heart of one of the problems facing wifeless in the U.S. "Here you are dealing with multiple standards, and that is a hindrance," Kountz says. "Firms have to roll out pager solutions, Palm solutions, Sprint PCS solutions, Verizon solutions, AT&T solutions, because these networks are not interoperable."

This is not a problem for firms in Europe, which has the advantage of Group Special Mobile (GSM), a single underlying network standard. The U.S. has no comparable standard for mobile devices. Through wireless application protocol (WAP) phones, transactions are encrypted by wireless transport layer security guaranteed by a WAP gateway operated at Deutsche Bank. The service can be used by all customers, irrespective of their mobile network provider.

This is a key hurdle American firms need to overcome, says Deutsche Bank Director of Advanced Technology Lutz Kolbe. "The U.S. availability of services that are interchangeable is a major roadblock, and there is danger in that," Kolbe says. "Some companies are really moving forward in wireless technology with proprietary technology that is not based on the WAP or any other standard. Imagine if the people working on the Internet would not rely on TCP/IP protocol. What you would get would be different isolated areas of Internet content, which would be an obstacle to success. The industry should be careful."

The lack of a single standard, TowerGroup's Kountz explains, "puts strength on the individual carriers and vendors who have designed their own proprietary solutions." But there is movement toward standardization, and a host of companies such as 724 Solutions, EverSystems and Tantau Software are developing middleware solutions to overcome network compatibility concerns.

Peter Klante, vp of marketing with Tantau, agrees that the current environment in the U.S. tilts the balance of power to carriers. "The market in the U.S. is young, fragmented and closed," he says, "so it is a fairly confusing environment. The dominant model in the U.S. is carrier-controlled--the carrier is the focal point of the relationship."

By implementing systems that put the WAP gateway in the hands of a financial services firm, Klante explains, the control of the relationship can stay with the bank or broker, which also increases security of the channel.

With a host of organizations and forums working on standards for financial services and m-commerce, standards will emerge. But what should firms do in the meantime? First, says Musto, don't panic. "To say that banks that aren't on wireless in the next five months are toast, just isn't true," Musto says.

While many rollouts in the U.S. and Europe are tied to traditional information and transactional services, Musto says firms should think beyond these offerings. "Wireless is a different channel, capable of different things," he says. "It might be possible to use for person-to-person payments down the road, or for walking up to a Coke machine and using your PDA to pay for it," which is something Finnish teens do now. "All these ideas give rise to concepts that are different from the applications that best take advantage of a desktop Internet offering."

Kountz agrees. "How many times a day can you check the rate on your CD or bank balance? Wireless is at its most basic an extremely convenient extension of the Internet in a highly mobile society. But it can be much more than that."

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